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SUBJECT: NEXT STEPS FOR POLITICAL PARTIES?

REF: KATHMANDU 430

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d)

SUMMARY

¶1. (C) In separate February 13 meetings with Khadga Prasad Sharma Oli, central committee member of the Communist Party of Nepal, United Marxist-Leninist (CPN-UML), and Surya Bahadur Thapa, the Chairman of the National Democratic Party (Rastriya Janashakti Party-RJP), the Ambassador conveyed U.S. concern over the political parties' continued alliance with the Maoists. In both meetings, the Ambassador stressed that if the King reached out to the political parties, the Parties should accept an offer to begin a process of reconciliation with the King. End Summary.

NEGATIVE REACTION TO COOPERATION WITH THE KING

¶2. (C) K.P. Oli, CPN-UML, met with the Ambassador on February 13 to discuss possible next steps by the political parties after the February 8 municipal elections. Oli stated that his party was in a complex position because only CPN-UML leaders supported reconciliation with the King; the CPN-UML cadre, in contrast, were moving toward pushing for a republic. Oli emphasized his desire to see democracy restored in Nepal, but questioned if the King had a role to play in its restoration. The Ambassador advised him that the USG would not understand if the political parties failed to respond to a genuine effort by the King to reach out. If the King reached out to the political parties, Oli would like to see a third-party mediator involved in the discussions to guarantee "assurances" from the Palace. He expressed displeasure with the current government and commented that current government leaders passed no examination and were not elected, they "simply get a tika and become an administrator."

PEACEFUL PROTEST BY PARTIES LEADS TO FUTURE MAOIST KINGDOM?

¶3. (C) With CPN-UML General Secretary Madhav Kumar Nepal still under house arrest, Oli continued, the media had pressured him to comment on the Maoists' plan for a parallel

government. He had explained that the CPN-UML believed they could defeat the "autocratic monarchy" through peaceful demonstrations, and that the party sought an end to the violence. When pressed by the Ambassador about the Parties' recent collaboration with the Maoists, Oli replied that the Maoists and the Parties only signed an understanding. However, he added that he was disillusioned by his party's interactions with the Palace. He agreed that collaboration with the Maoists might create an opportunity for the Maoists to gain ground in their struggle against the King. However, Oli opined, the current situation for the political parties might be worse than a possible future with the Maoists. He lamented, "We have no present, how can we think about the future?" He conceded that the Ambassador's concern that the Maoists could deceive the Parties at any time was valid, but countered that the Parties were all being very cautious. In the end, Oli reluctantly agreed to consider responding positively if the King reached out to the Parties.

DEMOCRACY DAY: TWO CHOICES

¶4. (C) In a separate February 13 meeting with Surya Bahadur Thapa of the RJP, the Ambassador again pressed for reconciliation between King Gyanendra and the Parties. Thapa commented that the conclusion of the elections and the upcoming Democracy Day (February 19) might present an opportunity for the King to reach out to the Parties in a "dignified way." Thapa opined that in the King's Democracy Day address Gyanendra would either call for parliamentary elections, with or without the Parties' participation, or reach out to reconcile with the political parties. Thapa saw two conflicting choices for the Palace and believed that the King had yet to make up his mind.

RECONCILIATION WITH THE KING

¶5. (C) The Ambassador stressed the need for the Parties and Palace to reconcile, noting that the Parties appeared to be moving closer and closer to the Maoists, who had shown no intent to cease their campaign of violence. He also cautioned that, if the Parties did not accept an offering by the King to work toward reconciliation, the Maoists might draw the Parties into joining their "underground movement" against the King. Thapa agreed and mentioned that he had requested an audience with the King before the King's three week trip to Pokhara starting on February 17. Thapa noted that if the audience were granted it would be a positive sign for the Parties.

FAILURE ON ALL SIDES

¶6. (C) Thapa highlighted failures and missed opportunities by all sides with respect to the municipal polls. While His Majesty's Government of Nepal (HMGN) called the elections a success, Thapa described the results as a technical victory only; the polls were well-managed by Nepal's standards, but the voter turn-out was very low and no one of any consequence ran. Thapa stated, however, that the Parties could not muster enough support to directly challenge the King's rule, and the violence since the end of the unilateral ceasefire had shown that their November 12-point understanding with the Maoists was a mistake. He added the signing of the agreement with the Parties showed that they could not achieve Maoist objectives on their own and needed a second strategy to attempt to defeat the King. Finally, Thapa portrayed the international community as failing in its attempts to pressure the King.

MAOISTS CALL FOR A PARALLEL GOVERNMENT

¶7. (C) Former Prime Minister Thapa worried about Prachanda's recent calls for the Maoists and political parties to form a parallel government. Thapa explained that the Maoists could well orchestrate a "parliamentary session" to be held in the

Maoist heartland where the parallel government could amend the constitution and write the monarchy out of existence.

COMMENT

¶8. (C) Both political leaders stated that there may be an opportunity for the King to reach out to the Parties, but stressed that any movement from the Palace must be accompanied by public assurances that there would be a move toward the restoration of democracy. While Thapa and the Ambassador shared views about the dangers of the current situation and the critical need for reconciliation, the Ambassador had to push Oli very hard to even consider responding positively if the King reached out. We believe that G.P. Koirala's suggestion of Indian pressure on the Parties (reftel) is worth pursuing.

MORIARTY